

SECRETARY OF DEFENSE WILLIAM J. PERRY
REMARKS EN ROUTE FROM MOSCOW, RUSSIA, TO WASHINGTON, D.C.
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SECRETARY PERRY: I want to talk a little bit for openers about the Gore-Chernomyrdin Commission which is after all one of the main reasons I came on this trip, and just tell you what struck me today about that while I was sitting through the meetings. This is a novel, and it may actually be a unique governmental enterprise. I've never seen anything quite like it before. It's not *deja vu* for Gore and Chernomyrdin to bring together that sort of a group and deal with the diversity of problems they're dealing with and I think all of us were a little skeptical when it started as to whether it would be anything other than just a series of meetings. But, I have to say I think it's been enormously successful. It's been a magnificently successful experiment.

It has on the substantive level, some of the results of the joint programs coming out of it that involve billions of dollars worth of effort, particularly in the business development committee. These are not government programs; they are private enterprise programs which these two governmental groups are providing an impetus for, facilitating happening. So one can measure success by these programs some of which you heard described. But I think just as importantly is the interaction that's taken place among senior government officials in both countries. It's developed a rapport and a working camaraderie that is becoming quite effective. So I want to start off by observing that I think this has been a very successful activity that the Vice President and the Prime Minister started. I'm confident it's going to continue at full momentum.

Let me pivot here briefly to the particular committee, the Defense Conversion Committee, that I'm the co-chair of. That whole activity, defense conversion and this committee, has gotten a lot of criticism in both countries, as a matter of fact. In the United States, it's criticized by people who say it's naive because it's sustaining and supporting the Russian defense industry. Russia, is being criticized as a sort of imperialistic move by the U.S. to destroy the Russian defense industry. Both of those arguments have been made. Obviously, they both can't be right. In fact, neither of them is right.

What this is, is a program which is a "win-win" for both countries. I was explaining that at this project we were at tonight. This project is a perfect example of what's "win-win" about this activity. Now the real skeptics of defense conversion, of which I probably was numbered myself in the early days, were simply concerned that while this is a good idea, but you can't do it. It's going to be too hard to execute. It took us a good year, really, to get this off the ground and start executing it. This project which we

stopped to see as we went out to the airport tonight, however, is living proof that you really can do it.

By the time of the next meeting and the meeting after that, we're going to see many more such projects because we're leveraging the relatively small amount of funds which we get in Nunn-Lugar with more funds from the American companies that are investing and even more funds from institutional investors. So with several tens of millions of dollars of Nunn-Lugar funds, we're going to end up with stimulating projects measured literally in the billions of dollars. That's necessary because the defense conversion task is of a scale that tens of millions don't make a drop in the bucket.

So everything we've done in this program has been, as I've tried to explain to the Russians who didn't understand at first why we were going about it the way we were, we're not just funding government projects, we're attracting private investment. So what we're doing is what venture capitalists call "seed capital." It's capital that attracts other capital. It's a magnet for other capital. And we're just now, the last few months, starting to see the evidence that that's working. Simply forming the projects under Nunn-Lugar doesn't prove it. What proves it is attracting the other funds. They're now starting to flow in. So I wanted to offer some real enthusiasm that that program is really starting to pay off now.

Besides the specific -- I should say the explicit tasks which the Gore-Chernomyrdin Commission is doing -- there is a very real benefit, which in some ways may be an even greater benefit, are the things that happen on the margin of that meeting, simply because you're bringing Gore and Chernomyrdin together and Perry and Kokoshin together. You're getting all of these government officials together at crucial times. This was perhaps best demonstrated today by not only the private discussions between Gore and Chernomyrdin, but now Gore going over and meeting with President Yeltsin and discussing the issue which was sort of the hot, important issue of the day, NATO expansion. You heard at the press conference today the Vice President describing his discussions with Yeltsin in that regard and his belief that he'd gotten the U.S.-Russian relations back on a very positive track again.

Now that probably would have happened anyway, but the fortunate timing of having this meeting occur right in the middle of this problem developing gave a chance for that face-to-face meeting to occur. I had an opportunity to reinforce the Vice President's message in my meetings with the Minister of Defense. That was also fortunate timing because I'd just come from the NATO defense ministers' meeting where there had been some discussion about how this whole process worked. I had a chance to share that discussion with the people of the MOD.

Even more importantly in the discussions at the MOD I had at the margin of the meeting, was discussion on Bosnia. There again, it was a fortunate development that my meetings with the MOD occurred the day after the NATO defense ministers' meeting where we had detailed discussion about what to do in Bosnia and had come to certain

actions, had agreed that Russia ought to participate in those actions, had invited Russia to participate. I was able to personally convey that message to the ministers of defense and give them the whole background as to what was done and said at the NATO meetings.

It's hard to explain how garbled communication and messages get sometime. I sat down and talked to them this afternoon, I was very glad that Ash [Carter] and I were actually able to lay out for them in detail what had been said at the meeting. They had gotten some versions of it, very confused, and we had a chance to lay it out exactly step by step, what had been proposed, why it had been proposed, how we wanted the Russians to be involved. They came away being very grateful of getting the report, I would say positive about the action unfolding, and quite willing to participate. They're planning to send a representative to the meeting at the Hague next week.

Between now and then we will be sharing messages back and forth, between General Shali who is preparing specific ideas for that meeting -- sharing those ideas with the Russian Ministry of Defense and getting ideas back from them. There will be a little bit of time this weekend for preparation for that meeting.

Q. Do you know who they might be sending?

SECRETARY PERRY: They had not decided. The person we invited was General Kolesnikov, but General Kolesnikov has his hands full right now with actions in Chechnya, and so he will probably send his deputy but he had not fully decided that when we talked with him. I would say they were -- I don't think enthusiastic is too strong a word -- I think they were enthusiastic about the opportunity to participate.

ASD ASH CARTER: Also about the process of consultation and being brought in while the idea was hatching. That's important as well so they don't feel excluded.

SECRETARY PERRY: It's very important to them to know the rationale behind what we discussed at the meeting and in particular, that what we were trying to do was reinforce UNPROFOR in conducting its basic humanitarian mission, not trying to extend or enlarge the scope of UNPROFOR. Otherwise, they might have had a very different view of the action.

That's probably enough in the way of background. I'll be happy to take questions from you.

Q. Has there been any more carrying out of the promises by Karadzic. It's been a couple of days now. Have you seen any change that's worth noting?

SECRETARY PERRY: I would expect to see them probably this weekend, if he's going to do them.

Q. One of the advantages of meeting with your Russian counterparts in defense and in the uniformed military is to get a better understanding of their concerns and of their operations. That would seem to be important, particularly when they have international implications and when they're countries that are members of the Partnership of Peace that have concerns about them. In that respect, do you have an understanding of exactly what the Russians are doing with regard to Chechnya -- how many forces they have there? Do they plan to go into the city there and what are the military concerns in the Russian military about that type of operations?

SECRETARY PERRY: Let me say first of all, we did talk at some length about Partnership for Peace and the Russian participation in that. I urged them to get back on that Partnership for Peace track again, submit the documents. I can't tell you with confidence what they're going to do, but we made a very strong case they should get back on the Partnership for Peace. On the Chechnya issue, in our formal meetings at the Ministry of Defense, we did not discuss Chechnya. I had informal discussions with Andre Kokoshin and did discuss Chechnya, but I consider these private discussions. I don't feel free to pass on what he described to me. I just feel I would be revealing his confidences. That's why I didn't mention it in my opening comments because I'm not free to describe them or elaborate on them. But, yes, we did discuss it, but only in private one-on-one, not during the [formal meetings].

Q. Not a formal luncheon item?

SECRETARY PERRY: First of all, because we'd had this one-on-one session before. Secondly, because you had a limited amount of time, and I really wanted to cover the Bosnia issue in great detail. We just ran out of time. Otherwise, they might have brought it up in the meeting. Or, I might have brought it up.

Q. Could you say that they've given you assurances that they're trying to settle this without bloodshed, that they would much prefer to settle it without bloodshed?

SECRETARY PERRY: I could say that, yes. That's what they're trying to do. But in terms of how they're going to do that, and what tactics and approaches they use, that I don't feel free to discuss. Their objective on it is very clear.

Q. Can you give us some feel on Bosnia when you describe the different kinds of things that were discussed, ways of making the humanitarian relief effort more effective, for example? How did they respond to the kinds of things that you suggested? Or, did you and did they have some original ideas of their own just off the cuff as you were introducing this subject?

SECRETARY PERRY: I described to them some of the "for examples, "repeating again that we're not sure what we're going to end up with, but just to fix their thinking about the sort of things that we were talking about. We did discuss -- they offered some ideas

keep the airport open. About some of the ideas about consolidating the UNPROFOR forces. The reason that was important, I think, to lay these out as examples, is we wanted to be clear that this wasn't an effort that was intended to be directed against one side or the other. It was intended to help the UNPROFOR forces carry out their humanitarian mission. They took the examples -- they did offer some suggestions and ideas about those examples. They did not add new examples of their own.

Q. Did it feel a little odd for you to be in the country at this time when there's such turbulence going on, even in your private discussions -- you don't want to discuss the details, but was it difficult because you didn't get to see Grachev? Any ideas left undealt with?

Q. Did he send you a message?

SECRETARY PERRY: No. I would liked to have seen Grachev, of course. But we did see Kokoshin. We saw Kolesnikov. We saw nearly the whole general staff actually at the meeting. So we saw everybody except Grachev.

I think except for the fact that they were clearly absorbed and distracted, just as I would have been had they been visiting me the first day of the Haiti operation, that they were working very hard to make this a worthwhile and effective visit and focusing on the issues that we came there to talk about. I felt we left, at the end of the day today, really quite a warm feeling on a personal basis with the people we were dealing with at the Ministry, and I was concerned about that. I thought we were coming in there not only with a coolness that had developed because of this in the wake of the Budapest meeting, but that they would be totally distracted by their operations in Chechnya. Neither of those was the case. It was a very warm, and I think, productive meeting.

Q. What happened in Budapest? Was that just Yeltsin spouting off for the home audiences or do you see no up and down erraticism here in the relationship?

SECRETARY PERRY: I don't know how to characterize that. I had a lot of people offering me opinions as to why we got that kind of a reaction, but it's very clear that they're very sensitive about NATO. Some of that is no doubt a hangover from the days of the Cold War when was NATO was described to them for more than 40 years as the enemy. Part of it stems from them not having a clear understanding of what is the role of NATO at the end of the Cold War and does NATO automatically represent a threat to Russia. My judgment is it does not. It's an institution which can provide more security and stability for Europe which automatically helps the Russians as well as Western Europe. I offered that viewpoint to them. NATO is a very sensitive subject there.

Q. On the subject of Chechnya, did you convey to them any message from the U.S. government that goes beyond the public one about how there should be minimal bloodshed, if any?

SECRETARY PERRY: I conveyed that message, but I did not add to that message.

Q. Mr. Secretary, did President Carter consult you about his possible mission to Bosnia?

SECRETARY PERRY: Consult me, personally?

Q. Yes.

SECRETARY PERRY: No. He consulted the President.

Q. Did President Clinton talk to you about it at all before the announcement was made?

SECRETARY PERRY: Yes.

Q. Did you notify the other NATO leaders before it was publicly announced?

SECRETARY PERRY: No.

Q. How long ago did you know about it?

SECRETARY PERRY: It depends on what "it" is. If "it" is that President Carter was talking with Karadzic, it was before I left on the trip. But if "it" was the six points and the fact that President Carter is going to go, that was during the trip.

Q. Mr. Secretary, this is on Somalia. Apparently you have been making phone calls back and forth and consulting with Congressional leaders when in Brussels and I don't know if in Moscow on the fact you are going to commit force to at least go off the coast. Can you describe where in your thinking that process is? The political consultation and the likelihood of putting Marines on shore?

SECRETARY PERRY: We're very far advanced in our Congressional consultations on that. We have been -- even before I left on this trip we were starting to discuss this with Congressional leaders. That's continued this week while I've been gone. I think we're rather close to having a decision on that. It may happen any day now.

Q. A decision to do what?

SECRETARY PERRY: A decision to provide a U.S. military force as a cover for the U.N. withdrawal operation.

Q. You mean by a "cover," you mean putting people ashore?

SECRETARY PERRY: I don't want to be more specific than that. What would actually be done with them would depend on the contingencies of the situation. But we would have a military force off shore and available for support if needed.

Q. An amphibious ready group, or more than that?

SECRETARY PERRY: An amphibious ready group, plus.

Q. Two amphibious ready groups?

SECRETARY PERRY: Not necessarily.

Q. My understanding is, is that you're looking at the early to mid-January time frame to try to bring that Marine group to shore? Is that approximately the timing that you're looking at.

SECRETARY PERRY: The timing is timed to the withdrawal of the forces, and they're trying to get them out in January and February. So I'd have to look at more detail, which units were coming out when and at which places, before I could answer that. But it's in the January-February time frame.

Q. How many U.N. troops are still left in Somalia?

SECRETARY PERRY: I don't have that number in my head. There were some came out just this last week, you know?

Q. In the Bosnia context, you've stressed how you gained a lot of good will by President Clinton promising to participate in the evacuation of any UNPROFOR forces. By that logic, aren't you essentially agreed in principle to participate in the evacuation of any forces in Somalia? You know, these involve, I mean, I don't know who's all there now, but in the case of the Bangladeshis and other United Nations forces, but I mean it's the same sort of principle. It's allies in a situation that we're involved with indirectly.

SECRETARY PERRY: The principles are very similar.

Q. So in principle, have we made the decision to help them evacuate if necessary, if it comes to that?

SECRETARY PERRY: In principle, the President has the right to make that decision and he has not made it yet. I expect him to make it within a few days, though. We're very close to a decision. In presenting the case to the President, we do just as you said. We lay out this principle.

Q. So you're essentially recommending that he agree to this in principle?

SECRETARY PERRY: I'd rather not say precisely what it is that I'm recommending to the President.

Q. Are you saying you expect him to make a decision or you expect him to go ahead and approve this?

SECRETARY PERRY: I expect him to make a decision in the next few days, and I don't want to forecast what the decision will be. That's a hazardous occupation.

Q. Aren't you already steaming elements of two Marine ready groups towards the coastline of Somalia right now in anticipation of?

SECRETARY PERRY: We have amphibious ready groups steaming toward Somalia, but we might be doing that even if we were not doing this operation. We keep an amphibious ready group in that area as a matter of routine a pretty high percentage of the time.

Q. But you've diverted one up to the Persian Gulf and it's now leaving, going down to Somalia.

SECRETARY PERRY: We're getting ourselves in a state of readiness to do this, but we're not committed to doing it.

Q. Where's the other one? One is in the Indian Ocean and the other is headed out of the Persian Gulf? Where are the two ready groups?

SECRETARY PERRY: I don't have it precisely in my head. I can get that answer for you. That sounds close to it.

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